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## **Immigration bill sticker shock**

**A government study puts the cost of the Senate's version of reform at \$127 billion over 10 years.**

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WASHINGTON

The price tag for comprehensive immigration reform was not a key issue when the Senate passed its bill last May. But it is now.

One reason: It took the Congressional Budget Office (CBO) - the gold standard for determining what a bill will cost - until last week to estimate that federal spending for this vast and complex bill would hit \$127 billion over the next 10 years.

At the same time, federal revenues would drop by about \$79 billion, according to the CBO and the Joint Committee on Taxation. If lawmakers fix a tax glitch, that loss would be cut in half, they add.

In field hearings across the nation this month, House GOP leaders are zeroing in on the costs of the Senate bill. It's a bid to define the issue heading into fall elections and muster support for the House bill, which focuses on border security. They say that the more people know about the Senate version, including a path to citizenship for some 11 million people now in the country illegally, the less they will be inclined to support it.

"We are now just beginning to see a glimpse of the staggering burden on American taxpayers the Reid-Kennedy immigration legislation contains," said House Judiciary Committee Chairman James Sensenbrenner, who convened a

field hearing at the State House in Concord, N.H., Thursday on the costs of the Senate bill.

But business groups and others backing the Senate bill say that the cost to the US economy of not resolving the status of illegal immigrants and expanding guest-worker programs is higher still. "In my opinion, the fairer question is: How will illegal immigrants impact the costs of healthcare, local education, and social services without passage of comprehensive immigration reform?" said John Young, co-chairman of the Agriculture Coalition for Immigration Reform, at Thursday's hearing.

"Had we solved this problem in a truly comprehensive way in 1986 ... we would not have the daily news reporting outright shortages of farm labor threatening the very existence of agricultural industries coast to coast," he adds.

Experts are poring over the new CBO data - and coming up with radically different assessments of the social costs of reform, ranging from tens of billions of dollars higher to a net wash.

On the issue of border security - a feature in both bills - there is little disagreement. The CBO estimates that the cost of hardening US borders in the Senate bill is \$78.3 billion over 10 years, or about 62 percent of the bill's total cost.

The fireworks involve new entitlement spending in the Senate version. The CBO sets the price tag for services for some 16 million new citizens and guest workers at \$48.4 billion through fiscal year 2016. That includes \$24.5 billion for earned income and child tax credits, \$11.7 billion for Medicaid, \$5.2 billion for Social Security, \$3.7 billion for Medicare, and \$2.4 billion for food stamps.

But it's easier to estimate the cost of a mile of fence than to assess the prospects for millions of workers, once they can work legally and claim benefits.

"The amnesty alone will be the largest expansion of the welfare system in the last 25 years," says Robert Rector, a senior analyst at the Heritage Foundation, and a witness at a House Judiciary Committee field hearing in San Diego Aug. 2.

"Welfare costs will begin to hit their peak around 2021, because there are delays in citizenship. The very narrow time horizon [the CBO is] using is misleading," he adds. "If even a small fraction of those who come into the country stay and get on Medicaid, you're looking at costs of \$20 billion or \$30 billion per year."

Nonsense, say others who've studied the bill. Immigrant workers are also adding value to the economy, especially once they are working legally and paying taxes. Overall, it's a wash, they say.

"As you increase the number of immigrants to the US and as they get better jobs because a number of them will have attained legal status, they will pay higher taxes," says Leighton Ku, senior fellow at the Center on Budget and Policy Priorities in Washington. "On a longer-run basis, it looks as if the revenues will grow faster than the entitlement costs."

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